



**Washington State Auditor's Office**

**Troy Kelley**

**Integrity • Respect • Independence**

## **Accountability Audit Report**

# **Skagit County Dike District No. 1**

**For the period January 1, 2011 through December 31, 2013**

**Published December 31, 2014**

**Report No. 1013389**





## Washington State Auditor Troy Kelley

December 31, 2014

Board of Commissioners  
Skagit County Dike District No. 1  
Mount Vernon, Washington

### Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

## TABLE OF CONTENTS

Audit Summary .....	4
Status Of Prior Audit Findings .....	5
Information About The District .....	6
About The State Auditor's Office .....	7

## AUDIT SUMMARY

### Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of Skagit County Dike District No. 1 from January 1, 2011 through December 31, 2013.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Open Public Meetings Act
- Disbursements
- Contracts and agreements
- Cell phone policy

## STATUS OF PRIOR AUDIT FINDINGS

The status of findings contained in the prior years' audit reports of the Skagit County Dike District No. 1 is provided below:

**1. Skagit County Dike District No. 1 did not deposit funds in accordance with state law, which resulted in a loss of revenue.**

Report No. 1005841, dated April 25, 2011

### *Background*

The District was awarded \$500,000 in a legal settlement in 2007. In November 2007, the District used an electronic funds transfer to send the money to the District Attorney's BAR Association Trust Account. The money remained in this account until August 2008 when it was moved to five commercial bank accounts.

The Skagit County Treasurer's Office learned the District received the money in August 2008 and recommended the District deposit it with that office. The District did so on October 6, 8 and 13, approximately 11 months after the settlement. State law requires the District deposit money with the Treasurer's Office within 24 hours of receipt.

### *Status*

The condition reported in 2011 has been resolved. These funds are held by the Skagit County Treasurer's Office.

## INFORMATION ABOUT THE DISTRICT

Skagit County Dike District No. 1 provides river improvements, construction of levies, canals and other means to contain the Skagit River. The District has a population of more than 4,000 people. Its main source of revenue is property taxes, with total receipts of \$476,430, \$571,757 and \$478,925 in 2011, 2012 and 2013, respectively. The District is governed by a three-member Board of Commissioners, elected by District voters. The District has no employees.

### Contact information related to this report

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*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for Skagit County Dike District No. 1 at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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